



***Planning and Neighborhoods Committee***  
**MINUTES**

**REGULAR MEETING**  
***17, August, 2015***

The Planning and Neighborhoods Committee convened in a regular meeting on 17, August, 2015 at 301 W. Second Street in Austin, Texas.

Chair Gregorio Casar called the Board Meeting to order at 4:22 p.m..

**Board Members in Attendance:**

**Chair, Gregorio Casar**

**Vice Chair, Sabino “Pio” Renteria**

**Council Member Sheri Gallo**

**Mayor Pro Tem Kathie Tovo**

**Staff in Attendance:**

**1. APPROVAL OF MINUTES**

The minutes were approved on this the 15<sup>th</sup> day of September 2015 on Council Member Gallo’s motion, MPT Tovo second on a 4-0 vote.

**2. CITIZEN COMMUNICATION: GENERAL**

There were 210 speakers signed up to speak on Short-Term Rentals who were either for or against the item. For an outlined detail please review the Channel 6 video.

Kirk Mitchell, Member of Wildflower Church, asked that the committee move forward with great caution on alcoholic beverages item and ask that Austin Independent School District and other relevant stakeholders be part of the discussion.

Ms. Teich, Member of the Intergovernmental Relations Committee for the Austin Independent School District, would appreciate being part of the conversations pertaining to the Alcoholic beverages waiver.

Susana Almanza, spoke on the issue of Infill Tools and how Infill Tolls are being used to gentrify the community.

Sharon Figerillo, spoke about the noise problem in the Southwest area of Austin off of Hwy 71. Due to the southwest events, music festivals, frat parties the neighborhood feels they have no protection on how staff has interpreted the city regulations to allow a 1500 seat outdoor amphitheater.

Frank Goodlow, spoke on the amplified venue and it has taken away the neighbors peace and quiet.

Stuart Hirsh, spoke on flooding risks in Onion and Williamson Creek and the budget amendments for 388 buyouts and would like to be part of the revenue generated conversation regarding building inspections.

Kristin Cox, spoke on the concern of the live Austin amphitheater. This is a commercial entertainment entity and asked Council to please reconsider the ramifications of the fact they are being allowed to operate as a residence at this time.

Eric Goff: spoke briefly about the purpose of a density bonus and asked Council to consider taking feedback from the people that are in this day in and day out. Which would be a great first step in determining what is a density bonus, what is it for and how do we best meet those objectives?

David King: spoke in support of Mayor Pro Tem's recommendations and to make the point that the fee in lieu option should be eliminated from our Density Bonus Programs.

Ann Howard: spoke in support of Mayor Pro Tem Tovo's recommendations given to permit support of housing, but called the Council's attention to that currently the downtown Density Bonus Program is dedicated to housing first, permanent support of housing. At this point the citizens have yet to see the money from that development. As Council move forward please consider the need to identify funding streams for ending homelessness and that is how we will make progress.

Jerry Fry: Chair of the Board of Directors for Downtown Austin Alliance, noted the current Downtown Density Bonus Program has only been in place for the past 18 months and ask that Council not make changes, without additional professional economic modeling.

Heidi – representing the Real Estate Council of Austin, spoke in support of the recommendations forward by staff and spoke on affordability and Density Bonuses in PUDs.

Stewart Hirsch: spoke on the University Neighborhood Overlay and why Rainey affordability does not work in University Neighborhood and come up with some creative approaches related to homestead preservation districts. This should be a priority and ask that Council somehow facilitate that comparison to occur in conjunction with the overall discussion of Density Bonus.

### **3. STAFF BRIEFINGS**

**Briefing on the larger policy issue of waivers relating to the distance requirement of City Code Section 4-9-4(a), which requires a minimum of 300 feet between a business that sells alcoholic beverages and a school**

Postponed indefinitely

### **4. DISCUSSION AND POSSIBLE ACTION**

**Discussion and possible action on recommendations related top amendments to CityCode regarding secondary dwellings.**

Council Member Casar discussed with local Credit Units and other financial institutions as to what types of barriers there may be for homeowners in getting the kind of loans or reverse mortgages needed in regards to secondary dwelling unit, for lower to moderate income families. Perhaps the City Manager can provide information to the Planning and Neighborhoods Committee in order for the committee to address those issues.

Council Member Gallo add to also as the City Manager to bring into the discussion industry stakeholders, because if there are barriers that can be remove and we can still allow finance on those properties that is the route we would want to take.

Mayor Pro Tem Tovo stated that it would be important to add some type of requirement for affordability.

Council Member Renteria asked that staff with Neighborhood Housing would come back and provide information of how we can finance ADUs for low income families or people who want to build secondary units.

Council Member Casar recommended staff to come back to discuss the parking requirements for ADUs.

#### **Discussion and possible action on recommendations for the City's Density Bonus Programs.**

Mayor Pro Tem Tovo, provide a little bit of background on this item and emphasized the draft resolution should really set some processes to achieve some major actions. The draft resolution would ask the Council to contemplate considering changing what are not Density Bonus Programs that permit a fee in lieu, changing those to on-site requirements.

There is really an affordable housing crisis in the communities and it is incumbent upon the Council to use every tool at our disposal. We are limited by state law on what we can do to encourage and require affordable housing, but we can impose requirements when developers are using a Density Bonus Program. The Council should carefully look at our Density Bonus Programs and consider whether those wouldn't be more appropriate for units constructed on site. Much of the evidence to date suggest that our fees in lieu are set in such a rate that it's almost always, if not 100% of the time, cheaper for developers to opt out and to pay the fee in lieu rather than construct that unit or those units on-site. So, consequently we're not getting those units in areas where we really need them.

Several recommendations will be submitted to Full Council as well as, direction for the City Manager to initiate a code amendment to amend the requirements of Multifamily Residence Highest Density (MF-6) district zoning to incorporate a density bonus program consistent with the Vertical Mixed Use (VMU) overlay. The ordinance should consider requiring the provision of on-site affordable housing in exchange for achieving higher site development standards in excess of those established at a designated development baseline (for example, the development standards that can be achieved under Multifamily Residence Medium Density (MF-3) district zoning). Recognizing the need for immediate affordable housing relief, the City Manager is directed to bring forward this code amendment for council consideration as quickly as possible but no later than the November 5, 2015, City Council meeting.

Committee voted to forward the item to full Council on a 3-1 vote with Council Member Gallo opposing

#### **Discussion and possible action on the selection process and criteria for CodeNEXT "Focus Areas", which are places for testing new regulations because they embody characteristics found in similar areas throughout the City.**

Mayor Pro Tem Tovo, asked staff to answer questions she has received from the community about how staff will be selecting areas to consider within the CodeNEXT process? Jorge Rousselin, stated staff have received input from the Hyde Park Neighborhood with great interest of bring one of the target focus areas that staff will be studying leading up to the fall workshops currently scheduled for mid-November. At this time staff has started to evaluate and look at the commonalties with other areas in Austin that would facilitate staff's ability to test code standards on those areas.

## **Discussion and possible action on recommendations for short-term rental regulations and enforcement**

At the August 17, 2015, the committee unanimously approved the first (4) BE IT RESOLVED sections unanimously by a 4-0 vote.

At the August 17, 2015, the committee approved the following BE IT RESOLVED sections on a 3-1 vote for further discussion at the August 20, 2015 City Council meeting:

1. Add the existing requirement to include license numbers in advertisements as required by Section 1303 in City Code Section 25-12-213 (Local Amendments to the International Property Maintenance Code) to Subpart C under Division 1 of Article 4 – Additional Requirements for Certain uses of City Code;
2. Add a Bad Actor Clause similar to City Code Section 25-2-818(N);
6. Require operators to maintain a guest registry;
7. Require short-term rental license holders to comply with noise requirements;
8. Set the occupancy limit for short-term rentals as the lesser of:
  - a. six adults;
  - b. four adults in the area defined in City Code Section 25-2-511 C and D or;
  - c. not more than two adults per bedroom;
9. Prohibit occupancy of a short-term rental when the building permit prohibits occupancy of the structure;
11. Authorize the Code Official to suspend or revoke a license when false information is included in a license application and when the license is issued in error, similar to City Code Section 25-1-411-SUSPENSION OF A PERMIT OR LICENSE

At the August 17, 2015 meeting, the committee approved the following BE IT RESOLVED sections on a 4-0 vote for further discussion and possible action at the September 21, 2015 Planning and Neighborhoods Committee Meeting:

3. Add short-term rentals to Section 1301 in City Code Section 25-12-213 (*Local Amendments to the International Property Maintenance Code*)
4. Require inspection, including septic systems, during the application or approval process for all short-term rentals

The committee unanimously approved on a 4-0 vote to further discuss the below amendments at either the August 20, 2015 City Council meeting or at the September 21, 2015 Planning and Neighborhoods Committee Meeting:

Implement an immediate suspension on all new Type 2 short term rental licenses until new code enforcement amendments and processes are in place, and schedule a public hearing six months after the date of rules adoption to gauge effectiveness and consider revisions.

Prohibit use of STRs for gatherings, such as weddings, bachelor parties, etc.

Require STR license to lapse if no hotel taxes are paid within one year.

For any STR application or license renewal, require both owner and property manager to certify that they have no outstanding code or APD violations within last two years. (*discuss with bad actor clause*)

Repeal provision that allows 25% of multifamily units in commercially zoned areas to be removed from rental market as Type 3 STRs, and cap at no more than 1-3%.

Clarify that Type 2 STRs and non-owner occupied Type 3s are subject to federal ADA requirements as commercial places of lodging.

Establish fines sufficient to serve as clear financial deterrents for violations and increase fines for repeat offenders.

Initiate a phases-in process to limit Type 2 short term rentals to commercially zoned areas, and require Conditional Use Permits for continued operation of Type 2s in single family zoning.

## **5. FUTURE ITEMS**

### **6. ADJOURN**

Chair Casar adjourned the meeting at 2:43 a.m. without objection.

The minutes were approved on this the 15<sup>th</sup> day of September 2015 on Council Member Gallo's motion, MPT Tovo second on a 4-0 vote.